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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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DOGM
MINERALS PROGRAM
FILE COPY

February 22, 1989

Mr. Glen M. Eurick
Environmental and Occupational
Health Coordinator
Barrick Mercur Gold Mines, Inc.
P.O. Box 838
Tooele, Utah 84074

Glen

Dear Mr. Eurick:

Re: Initial Review of Application for a NOI Permit Revision, Barrick Mercur Mine,
M/045/017-88(1), Tooele County, Utah

The Division has completed its review of your November 30, 1988, application to revise the approved Notice of Intention (NOI) for the Barrick Mercur Mine. This application is incomplete and the following review comments must be addressed before the Division can complete the processing of the revision.

R613-004-104

Barrick's ongoing negotiations and contractual agreements for landuse that are not yet finalized, must be resolved prior to any physical disturbance of the lands in question. This will be a condition to final approval of this NOI revision.

R613-004-105

Upon review of the approved NOI for the entire Mercur Project, it became apparent that many of the existing maps, drawings and plates no longer reflect Barrick's proposed plans for mine development. The new application for revision of the approved NOI will effectively change several sections of the previously approved mine plan.

1. A condition to final approval of the revision application will require that the operator update and revise all appropriate text, maps, tables, figures, drawings and plates to conform with the changes proposed in the latest NOI revision. All updates and revisions must be properly formatted to allow direct insertion as replacement pages (with proper page numbers, revision dates, etc.), into the approved NOI for the Mercur Project.

The following is a partial list of items which will likely require revision:

Tables 2.3-1, 2.4-1, & 2.4-3; Maps 1.1-1, 1.2-1, 1.4-1, 2.0-1, 2.1-1, 2.2-1, 2.2-3, 2.4-1 and 2.4-2; Plate 2 - Existing Drainage Control Features (4/15/86), Plate 3 - Proposed Drainage Control Plan for Mine Expansion & Post Reclamation (4/15/86); deletion of any reference to the Meadow Canyon Reservoir and replacement with text and design specifications for the proposed Meadow Canyon Dump Leach Facility.

2. The following items must be provided to the Division:

Specific erosion control measures to be utilized to control surface runoff from the new disturbed area.

General locations for placement of new diversions, sediment traps and/or ponds, silt fences, berms, etc. must be indicated on a revised surface facilities or drainage control map.

Design details for the "drainage trench" located adjacent to the proposed Meadow Canyon Dump Leach on Drawing No. dpb, Surety Bond Reference.

Design details for the D.L.-3 heap leach processing ponds.

Design details and the reclamation plans for the Meadow Canyon Dump Leach facility, Area 3.

Design details for the Rover Hill Dump Leach facility, if/when, it is selected as an alternative site for development.

R613-004-106

The Division requests specific details of the proposed erosion protection measures to be provided for all new topsoil stockpiles (i.e., #15 & 16).

It appears upon examination of Drawing # dpb, dated 11/88, that topsoil stockpiles #9 & 12 are located within the expanded tailings pond water surface area. If this is the case, these stockpiles will need to be relocated. Please indicate if this observation is inaccurate.

R613-004-108

The operator indicates, on page 2, that exploration drill holes within the proposed pit boundaries will not be plugged. This is acceptable where the holes will be completely consumed. Otherwise, the operator needs to follow the specifications for plugging at a level immediately below the lowest extension of the pit.

R613-004-109

As indicated in the revision proposal, several large expansions will be incorporated into the plan. These include: plans to significantly expand the waste dump facilities, the leach pads, and construct new pits. A description of these expansions is presented on page 2 of the revision and on Drawing No. dpb (11/88).

On page II-66, of the plan, the operator describes leaving the waste dump slopes at 1.5:1. For example, the newly proposed Sacramento dump will have a 400 foot slope at angle of repose. This proposed final reclamation grade may be too steep to reclaim adequately.

The Division proposes an on-site visit as soon as weather permits to talk with the operator in more depth about some of these reclamation concerns. In so doing we will develop a much better perspective on the mitigating measures that will be, or should be taken at this site.

R613-004-113.4

The revised reclamation estimate, submitted by the operator is \$9,970,445 (in 1999 dollars @ \$5,956/acre). The current surety, in the form of a self-bonding indemnity agreement, is for \$6,657,000 (in 1999 dollars). The revised amount and form will require approval from the Board of Oil, Gas and Mining before the Division can issue a final approval for this revision.

The operator shall complete and submit a Reclamation Contract (FORM MR-RC) along with the proposed form of reclamation surety. A copy of FORM MR-RC is attached.

R613-004-118

The revision proposes a 435 acre increase in the disturbed area boundary. The acreage is revised from 1,239 acres to 1,674 acres (corrected total is 1664 acres = 425 acre increase). This is a large addition to the existing acreage. The amount of additional disturbance proposed will place this application into a significant revision category. Therefore, initiation of the standard public notice provisions will be required upon tentative approval.

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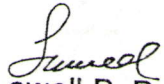
GENERAL QUESTIONS:

1. A March 25, 1987, letter from Barrick transmitted the 1986 Annual Report to the Division. It indicated that a survey would be performed by Barrick in 1987 to resolve topsoil volume discrepancies noted previously in the NOI. Is the total topsoil stockpile volume (581,904 BCY), as indicated on Drawing # 3-7-88, General Layout, (1987 Annual Report), now correct? Does this total reflect existing and projected stockpiled topsoil volumes to be salvaged from the new mine expansion? Please clarify how this figure was derived.
2. The operator has indicated a General Disturbance estimate of 208 acres on Map 2.4-2(A), from Barrick's 1987 Annual Report. Replacement Drawing No. dpb (11/88), outlines a General Disturbance acreage estimate of 730.81 acres.

Planimetering the new physical disturbed area, outlined on Drawing No. dpb, yields roughly 150 acres. The Division questions the reason or need for an additional 523 acres of general disturbance? This additional acreage will significantly increase the operator's reclamation surety obligation. Please confirm the correct acreage figures, and explain why the excess general disturbance acreage is necessary for continued mining operations.

To minimize any delay in your proposed development schedule, please respond to these remaining concerns at your earliest convenience. Please contact me directly, or D. Wayne Hedberg of my staff, should you have questions regarding this review. Thank you for your patience and continued cooperation.

Sincerely,


Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

DWH/jb
cc: Don Ostler, State Health
Howard Hedrick, BLM, Pony Express Resource Area
Jerry Mansfield, State Lands
Lowell Braxton
Minerals Team
MN3/41-44